

Tel: [REDACTED]
Fax: [REDACTED]

[REDACTED]

April 27, 2004

Michael Verne
Premerger Notification Office
Federal Trade Commission
6th & Pennsylvania Avenue, NW
Washington, DC

Dear Mike:

I am writing to follow up on and confirm the telephone conversation that [REDACTED] and I had with you on April 26 regarding the sale of four crude oil tankers.

The facts as we described to you and hereby confirm are as follows:

1. Four foreign-flagged ultra-large crude oil tankers (the "Vessels") are owned by foreign entities, whose ultimate parent entity is foreign.
 2. The Vessels are to be sold to a foreign entity, whose ultimate parent entity is also foreign.
 3. All of the Vessels are registered under foreign flag, have their home port outside the U.S. and routine maintenance is performed in ports outside the U.S. In fact these ships have never entered a U.S. port nor can they because of their size.
 4. The revenue of the Vessels is generated solely by chartering their capacity to carry cargoes of crude oil. More specifically, the Vessels are chartered to various companies (the "Charterers") to carry crude oil, which is not owned by the Vessel owners, from production sources in the Middle East to various destinations outside the Middle East.
 5. In 2003, the Vessels called on non-U.S. ports but never called on a U.S. port. In those instances where they approached the U.S., they offloaded their cargoes at a
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point 20 or more miles off the coast of the U.S. to foreign flag ships in a process known as "lightering." The lightering services, which transport the crude to the U.S., are arranged by the Charterer of each of the Vessels and not by the owners of the Vessels. Each Vessel's responsibility for the crude ends when the cargo is discharged to the lightering vessel.

6. The Charterers of the Vessels are generally not U.S. entities (although at least in one case the ultimate parent entity of the charterer is a U.S. corporation).

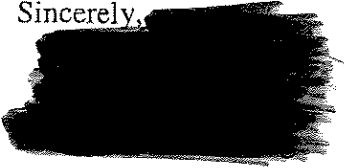
Based on the foregoing facts, we understand that you agree with our conclusion that the Vessels are foreign assets – they are "assets located outside the United States." They have no physical connection with the U.S.

We also discussed that under the foregoing facts the Vessels would be deemed to have no U.S. revenue. The Vessels render their transportation services solely outside the U.S. – those services begin and end outside the U.S. With rare exception, the Charterers of the vessels are foreign entities (although at least in one case the ultimate parent entity of the charterer is a U.S. corporation). We understand from our conversation, though, that the nationality of the charterer does not change the conclusion that transportation services rendered outside the United States do not generate U.S. sales for purposes of the Section 802.50(a) exemption.

As the foregoing shows that the contemplated transaction is the sale of exempt foreign assets, our clients do not intend to file under the HSR Act for this transaction. Accordingly, we would be grateful if you could let us know whether you disagree with any material part of this letter.

Thank you very much for your assistance.

Sincerely,



AGREE -
B. [Signature]
4/27/04

cc:

